

Date signed July 05, 2013



Paul Mannes

PAUL MANNES
U. S. BANKRUPTCY JUDGE

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MARYLAND
Greenbelt Division

In re: :
:
JEFFREY VESS : Case No. 11-28092PM
BARBARA KAY VESS : Chapter 11
Debtors :
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MEMORANDUM REGARDING DEBTORS' PLAN OF REORGANIZATION

The court is in receipt of Debtors' proposed Order Confirming Debtors' Plan of Reorganization relating to the Plan filed April 9, 2012. Notwithstanding Debtors' proffer at the confirmation hearing that the Plan satisfies the requirements of 11 U.S.C. §1129, the Plan appears to violate §1129(b)(1) in its separate classification and different treatment of the nonpriority unsecured claims designated as Classes 2, 4 and 5. Debtors are asked to file a memorandum of law within thirty days justifying the separate classifications and treatments of these claims. The United States Trustee is invited to file a responsive memorandum within fourteen days thereafter.

In addition, in Article VII.C, the Plan states that, "Debtors will seek to avoid Wells Fargo's second-priority deed of trust against the Residence pursuant to 11 U.S.C. §506," and the proposed Order Confirming Plan contains a decree that this lien has been avoided. To the contrary, however, no such motion has been brought as to this lien. Accordingly, this provision of the proposed Order cannot be endorsed on the present record.

cc:

Debtors c/o Christopher L. Hamlin, Esq., 6411 Ivy Lane, Suite 200, Greenbelt, MD 20770
United States Trustee, 6305 Ivy Lane, #600, Greenbelt MD 20770

End of Memorandum